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Senate Republican Caucus Chair

Committees: Financial Institutions, Housing and Insurance; Health and Long-Term Care;
Ways and Means; Rules

October 16, 2009

Dear Friends,

Fall has arrived! I spent a few days earlier this month in Olympia with my fellow legislators holding committee hearings and discussing emerging events. It was a busy and informative few days, and it's hard to believe the 2010 legislative session is just weeks away.

Legislature meets for “Committee Assembly” Days

On Oct. 1 and 2 the Legislature met in Olympia to hold committee meetings and receive updates on issues before the Legislature. Several of the committees on which I serve met over the two days. Here is some of what I learned:

- **Health and Long-Term Care.** In this committee we heard from people in the health care and related fields about what national health care reform might mean to the state of Washington, including how it could affect the state budget. Any discussions along these lines are preliminary, of course, because Congress has not yet settled on its final approach. I am closely watching the federal health care discussions and am concerned that the bills moving out of the various committees do not address what many of us see as a key component of any solution – the cost of health care. I agree that we need to reform our health care system, but we should ensure that whatever solutions we adopt address the original purpose for undertaking this effort – making health care more affordable.
- **Financial Institutions, Housing and Insurance.** At this committee hearing we heard about economic trends for 2010, especially in the housing and banking markets. We also learned about implementation of [ESB 6033](#), a bill passed during the 2009 session to prevent or reduce owner-occupied foreclosures.
- **Ways and Means.** This is the Senate's budget committee, where we received an update on the state revenue forecast (see below) and heard more about issues that will impact the budget, such as increased caseloads and pending lawsuits. We also discussed the financial outlooks for local governments.

State budget shaping up to be major challenge

The state budget continues to be the largest issue facing the Legislature. On Sept. 17 we received a new quarterly state revenue forecast. Revenue projections have dropped \$238 million

compared to what was expected in June. Although the Legislature left town last year with \$570 million in unrestricted reserves, increased costs (such as more people seeking unemployment assistance), shrinking revenues and other expenses have given us a brand-new bottom line. We are now facing an immediate **\$1.2 billion deficit**. There is still \$250 million in the rainy day fund, but that wouldn't begin to address the problem. We will get one more revenue forecast (Nov. 19) before heading into the 2010 session; by all accounts it isn't likely to hold positive news.

Last year's budget relied heavily on one-time monies to fund ongoing programs. That fact, along with declining revenues, means it will be a major challenge to balance the current budget and write a new budget for 2011-13.

Sen. Joe Zarelli, lead Republican on the Ways and Means Committee, has called on the Legislature to convene a special session to work on the budget when we are in Olympia for our next Committee Assembly Days in December. Taking early action would mean the savings could take effect January 1 rather than July 1 as would be the case if we passed the budget toward the end of the 2010 session. Every \$1 saved in January equals \$1.50 saved six months later. You can read more about that idea [here](#). I will keep you updated on this issue as we get closer to the 2010 legislative session.

State unemployment rises to 9.3 percent

Washington's seasonally adjusted unemployment rate increased to 9.3 percent in September, up from a revised 9 percent in August (the August rate was originally reported at 9.2 percent, but later revised downward). In July the rate was 8.9 percent. The state lost an estimated 16,000 non-agricultural jobs in September, seasonally adjusted, after an estimated loss of nearly 12,000 jobs in August. Washington had 131,200 fewer jobs last month than in September 2008, a 4.4 percent decrease. This is higher than the national average employment decline, which is down 4.2 percent over the past year.

Preparing for the flu

We've all heard about the H1N1 flu and have been encouraged to wash our hands with soap and hot water regularly, cough/sneeze into our sleeve or a tissue, and stay home when we are sick. Now there is another way to better prepare yourself and your family for this serious flu strain. The Washington State Department of Health has developed a Web site dedicated to the latest facts on the virus in our state, including helpful preparation and prevention tips. You can visit the site at: <http://www.doh.wa.gov/h1n1/>. The Department has also developed a Q&A specific to vaccinations, including a chart titled, "Who should get vaccinated now?" The Q&A/chart is attached, or you can read it [here](#).

Working on reopening the Upper Stehekin Valley Road

In late July I had the opportunity to testify before Congress in support of a bill that would allow reopening of the Upper Stehekin Valley Road. In 2003 a flood wiped out the road – and along with it went nearly all access from Stehekin into the North Cascades National Park. Following the flood the National Park Service conducted an environmental assessment of the road, and nearly everyone who offered comments supported reopening the road. The idea was to move it away from the river to the spot where the pioneers built the original road in the 19th century. Doing so would require movement of the park's boundary (although it would not result in any loss of parks land), therefore federal action is required.

There is good news on this front – the bill I testified on, H. R. 2806, passed the House Committee on Natural Resources on Sept. 10. The next step is for it to go before the entire U.S. House and hopefully on to the U.S. Senate. Its passage will require support of our state's congressional delegation, especially our state's two senators. I wrote an op-ed on this issue that was published recently in the Wenatchee World. You can read it [here](#). In addition, a prominent Seattle columnist recently argued in favor of reopening the road. You can read his column [here](#). I also have a special section on my Web site with more information about the measure, including my testimony before Congress. I invite you to view it at this [link](#).

In closing...

As always, if there is anything I can do for you as your state senator, please don't hesitate to give me a call or send an e-mail. If you know of anyone who would like to receive these e-mail updates, please have them contact me and I will get them signed up. Thank you for the honor of serving you in the state Legislature.

All the best,

Linda

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